

Maryland Health Care Quality and Cost Council

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VALUE BASED BENEFIT DESIGN:

A Sensible and Sustainable Design for Employers

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Our Search for Quality

Both Boards, by statute, seek health plans that offer:

- *Creativity and innovation*
- *Improvement in employee health*
- *Plan performance and information*
- *Affordable care*
- *Flexibility in benefit design*

Triple Aim – a healthy population, better individual care at a lower cost



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Health and Wellness

- Free flu shot clinics at worksites
- Free health screenings at worksites
- Agency wellness grants – walking programs, cooking classes
- Public Health partners to manage StayWell program
- Affordable wellness promotion



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Evidence and Value

Promote improved health outcomes through benefit design:

- Mammograms, immunizations, well child visits, pap smears, colonoscopies, 17 services in total, pre-ACA
 - Free tobacco cessation – no or low cost medications
 - Free weight management (participation requirement)
 - Free value medications – chronic conditions, cardiac, high blood pressure, diabetes and asthma
 - No or low cost office visits for chronic conditions



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Value Based Design Choices

- Essential benefit package – developed in Oregon based on our prioritized list of services – four tiers
- Health Leadership Council – three tiers, two separate deductibles and out of pocket maximums
- Benefit boards – use evidence, keep it simple & based on our experience



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Low Value Top Cost Tier

- \$500 co-payment not subject to the deductible & out of pocket maximum
- Spine surgery, hip & knee replacements, shoulder and knee arthroscopy, bariatric surgery, sinus surgery
- \$100 for sleep studies, spinal injections, CT, MRI, SPECT imaging, upper endoscopy, ED visits
- Exclude cancers and traumatic injuries



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Contracts Promote Safety, Value and Quality

- No payment for never events, report medical and dental never events
- Added requirement to use surgical checklists
- Decrease c-sections and elective inductions prior to 39 weeks - safety & evidence-based care
- Contract language includes promotion of Baby Friendly Hospital criteria or certification
- Medical homes pilots have become the norm
- Leverage influence through contract language to improve the system for all



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Outcomes to Date

- Most all HEDIS measures in the 90th percentile
- Tobacco use in 2007 was 12.4% in 2012 is 5.8%
- Weight management – 9% - 14% pay (ROI \$2M 1st yr.)
- Obesity rates for both benefit groups fell from 28% to 23%
- Additional Cost Tier (ACT):
- Imaging and sleep studies
 - Decreased between 15% and 30%
- All other ACT services
 - Decreased approximately 15 -17%



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Negotiation, barriers, communication

- Carriers attended all the meetings about the benefit design
- Design implementation while not carefree was doable
- Member understanding, link to decision support material
- Save money and improve benefits as the same time
- MIT will formally study impact of cost and quality



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2013 Value Based Benefits

- January 2013 – value based benefit for in-network substance abuse treatment for PEBB
- January 2013 – expansion of value based benefit for drugs to include additional generics for hypertension and depression
- January 2013 – medical homes certified by State linked to lower cost sharing for members in the Statewide PPO plan, from 15% to 10%
 - Members are asking their physicians about medical homes
- Evaluating – a Wellness Visit similar to Medicare visit to screen for behaviors that drive costs, depression, substance abuse, tobacco use, weight, physical activity and readiness to change
- Researching options for a physical activity benefit, services to consider for the additional cost tier



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Health Engagement and Value

- Started a Health Engagement Model program
- Mandatory health risk assessment & actions or pay surcharges
- Administrative complexity and member reactions mixed
- Increase in participation in tobacco cessation and weight management
- Worksite Culture is changing - weight management & a health focus
- Start a movement - reduce demands for care through better health



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